2 7 MAY 1969

Mr. James F. C. Hyde
Office of Assistant Director
for Legislative Reference
Bureau of the Budget
Washington, D. C. 20503

Dear Mr. Hyde:

This is in response to your request of 22 May 1969 for written confirmation of Agency views on the Department of State's proposed draft legislation "To amend the Foreign Military Sales Act."

The subject of the proposed legislation is not within the purview of the Central Intelligence Agency's responsibilities and, therefore, we have no comments to offer.

Sincerely,

John M. Maury

STAT

Legislative Counsel

Distribution:

Orig. & 1 - Addressee

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OLC/LLM:rw (27 May 69)

On file OMB release instructions apply.

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET WASHINGTON, D.C. 20503

MAY 2 2 1969

LEGISLATIVE REFERRAL MEMORANDUM

To:

Legislative Liaison Officer

Department of Justice

Central Intelligence Agency

Department of Commerce

Department of the Treasury

Agency for International Development

Export-Import Bank Department of Defense

Subject:

Department of State's proposed draft legislation "To amend the Foreign Military Sales Act"

Special circumstances require priority treatment and accordingly your views are requested by close of business, Friday, May 23, 1969. Views may be referred to Austin T. Ivory, code 103, extension 4604, or David Muchow, code 103, extension 4606, the legislative analyst in this Office. Please confirm in writing no later than Monday, May 26, 1969.

> Assistant Director for Legislative Reference

Enclosure

Dear Mr. Chairman:

On January 17, 1969, Secretary Rusk sent to the President of the Senate draft legislation to amend the Foreign Military Sales Act of 1968. This draft has since been referred to your Committee.

As a result of the current Budget review just completed by the Administration, we continue to support the figures contained in the draft bill pending before your Committee. We have also been advised by the Bureau of the Budget that enactment of this legislation would be in accord with the program of the President.

In addition, we request your favorable consideration of new wording of Section 3(b) of the Act (the Pelly Amendment) which has been discussed with Mr. Pelly and which he has accepted. The changes we suggest read: (deletions from the present language are bracketed, additions are underlined)

"No [defense article or defense service shall be sold by the United States Government] sales, credits, or marentles shall be made or entended under this Act to any country during a period of one year after [, after the date of enactment of this Act,] such country seizes, or takes into custody, or fines on

The Hoaorable

J.W. Fulbright, Chairman, Committee on Foreign Relations, United States Senate. **~** 2 **~**

American fishing vessel [engaged] for engaging in fishing more than 12 miles from the coast of that country. The President may waive the provision of this subsection when he determines it to be important to the security of the United States or be receives reasonable assurances from the country involved that future violations will not occur, and promptly so reports to the Speaker of the House of Representatives and the Committee of Foreign Relations of the Senate. The provisions of this subsection shall not be applicable in any case governed by an international agreement to which the United States is a party."

For your convenience I attach a revised bill to amend the Foreign Military Sales Act.

Should you or members of your Committee have any questions about the changes proposed, please do not hesitate to raise them.

Sincerely,

Acting Secretary

Enclosure:

Revised draft bill.

J/PM:RJBarnard/ras 5/20/69

A BILL

To amend the Foreign Military Sales Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Foreign Military Sales Act (82 Stat. 1320) is amended as follows:

SEC. 1. Section 3 is amended as follows:

In subsection (b) strike out the entire subsection and substitute the following:

"No sales, credits or guaranties shall be made or extended under this Act to any country during a period of one year after such country scizes, or takes into custody, or fines an American fishing vessel for engaging in fishing more than 12 miles from the coast of that country. The President may waive the provision of this subsection when he determines it to be important to the security of the United States or he receives reasonable assurances from the country involved that future violations will not occur, and promptly so reports to the Speaker of the House of Representatives and the Committee

of Foreign Relations of the Senate. The provisions of this subsection shall not be applicable in any case governed by an international agreement to which the United States is a party."

SEC. 2. Section 31 is amended as follows:

- (a) In subsection (a) strike out "\$296,000,000" and "1969" in the first sentence and substitute "\$275,000,000" and "1970", respectively.
- (b) In subsection (b) strike out "1969" and "\$296,000,000" and substitute "1970" and "\$350,000,000", respectively.

SEC. 3. Section 33 is amended as follows:

- (a) In subsection (a) strike out "the fiscal year 1969" and substitute "each fiscal year."
- (b) In subsection (b) strike out "the fiscal year 1969" and substitute "each fiscal year."

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET WASHINGTON, D.C. 20503

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The Honorable

J.W. Fulbright, Chairman, Committee on Foreign Relations, United States Senate.

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91st CONGRESS 1st Session

S. 2640

IN THE SENATE OF THE UNITED STATES

July 16, 1969

Mr. Fulbright (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

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- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 That the Foreign Military Sales Act (82 Stat. 1320) is
- 4 amended as follows:
- 5 Section 1. Section 3 is amended as follows:
- 6 In subsection (b) strike out the entire subsection and
- 7 substitute the following:
- 8 "No sales, credits or guaranties shall be made or ex-
- 9 tended under this Act to any country during a period of one
- 10 year after such country seizes, or takes into custody, or fines
- 11 an American fishing vessel for engaging in fishing more than

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- 1 twelve miles from the coast of that country. The President
- 2 may waive the provision of this subsection when he deter-
- 3 mines it to be important to the security of the United States
- 4 or he receives reasonable assurances from the country in-
- 5 volved that future violations will not occur, and promptly
- 6 so reports to the Speaker of the House of Representatives
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91st CONGRESS 1st Session S. 2640

A BILL

To amend the Foreign Military Sales Act.

By Mr. Fulbright

26 May 1969

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DD/S and DD/S&T (

called to advise they have no comment on

Department of State's proposed draft bill "To amend the Foreign Military Sales Act."

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	COUTING	G AND	RECOR	D SHEET
SUBJECT: (Optional)	-			
FROM: Legislative Counsel			EXTENSION	NO.
				DATE 23 May 1969
TO: (Officer designation, room number, and building)	DATE		OFFICER'S	COMMENTS (Number each comment to show from who
•	RECEIVED	FORWARDED	INITIALS	to whom. Draw a line across column after each comment
DD/I			M	1. May we please have your
2.				views <u>before</u> close of business Monday on attached proposed
- JOEK				amendment amending the Foreign
				Military Sales Act. For your information the Foreign Military
4.				Sales Act (P. L. 90-629) is also attached. The only substantive
				language change in the proposed
5.				amendment deals with the "Pelly Amendment" relating to seizure
6.				of U.S. fishing vessels and pro- vides the President with greater
				leeway in this area.
7.				 Comments need not be in writing but at least a "no comment
8.				report is requested.
9.				
10.				Assistant Legislative Couns
				Att.
11.				Department of State on this
12.				Department of State on
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13.				
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ROUTING AND RECORD SHEET					
SUBJECT: (Optional)					
FROM:		EXTENSION	NO.		
Legislative Counsel			DATE		
TO: (Officer designation, room number, and	DATE		23 May 1969 COMMENTS (Number each comment to show from w		
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DD/S	5 23 69		l. May we please have your views before close of business		
2. DOL -1206 ames	26 May 69		Monday on attached proposed amendment amending the Foreig		
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			amendment deals with the "Pelly Amendment" relating to seizure of U.S. fishing vessels and pro-		
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7.			writing but at least a "no comme report is requested.		
8.					
9.					
10.			Assistant Legislative Coun		
11.			Att.		
12.			From 2 to 4: No interest.		
13.					
14.			Director of Logistics		
15.					